

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: GARY L. KIPLING and FRANCES A. KIPLING
Address: 76-6027 MAMALAHOA HWY. HOLUALOA, HI 96725

Project Name (*): KIPLING'S COTTAGES
Address: 76-6027 MAMALAHOA HWY. HOLUALOA, HI 96725

Registration No. 5018 (CONVERSION)

Effective date: March 23, 2005
Expiration date: Non-expiring pursuant to §514A-43(b), HRS

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

FINAL (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: November 6, 2002
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports.
[X] Must be read together with FINAL PUBLIC REPORT
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Report

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

The dashed line separating the Limited Common Areas for Apartments "A" and "B" has been relocated and the sizes of the limited common areas appurtenant to Apartments "A" and "B" have been re-calculated as shown on Exhibit "C" attached to this Supplemental Public Report.

SPECIAL ATTENTION

This is a Condominium Project, **not** a subdivision. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON AREA and is NOT a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This Public Report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with..

There are two buildings on the project, both of which are farm dwellings to be used only in conjunction with agriculture.

Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	
17	
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A:	
EXHIBIT B: Parking Plan	
EXHIBIT C: Description of Common Elements and Limited Common Elements	
EXHIBIT D: Encumbrances Against Title	
EXHIBIT E:	
EXHIBIT F:	
EXHIBIT G:	

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2000-167246
 Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instrument [state name of document, date and recording/filing information]: (1) FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KIPLING'S COTTAGES FILED IN THE BUREAU OF CONVEYANCES AS DOCUMENT NO. 2002-230981. (2) SECOND AMENDED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KIPLING'S COTTAGES FILED IN THE BUREAU OF CONVEYANCES AS DOCUMENT NO. 2004-251685

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment numbers, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3193
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instrument [state name of document, date and recording/filing information]: (1) FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KIPLING'S COTTAGES FILED IN THE BUREAU OF CONVEYANCES AS DOCUMENT NO. 2002-230981. (2) SECOND AMENDED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KIPLING'S COTTAGES FILED IN THE BUREAU OF CONVEYANCES AS DOCUMENT NO. 2004-251685

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2000-167247
 Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a) Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u> <u>Covered Open</u>	<u>Compact</u> <u>Covered Open</u>	<u>Tandem</u> <u>Covered Open</u>	<u>TOTAL</u>
Assigned Apt. "A":	<u>4</u>	_____	_____	<u>4</u>
Assigned Apt. "B":	<u>2</u>	_____	_____	<u>2</u>
Guest:	_____	_____	_____	_____
Unassigned:	_____	_____	_____	_____
Extra for Purchase:	_____	_____	_____	_____
Total:	_____	_____	_____	_____
Total Covered & Open	<u>6</u>	<u>0</u>	<u>0</u>	<u>6</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit "B" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Courts Trash Chutes

Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations:

There are no violations. Violations will not be cured.

Violations and costs to cure are listed below. Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations According to an Architect's Report by Hamlet C. Bennett dated 11/4/00, the structural components, and mechanical and electrical installations material to the use and enjoyment of Apartment "A" are in good condition consistent with the age (22 plus year) of the improvements.

2 Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available on line. Please refer to the following sites.

Website to access official copies of the laws: www.capitol.hawaii.gov

Website to access unofficial copies of laws: www.hawaii.gov/dcca.hrs

Website to access rules: www.hawaii.gov/dcca.har

This Public Report is a part of Registration No. 5018 filed with the Real Estate Commission
On February 3, 2003.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock

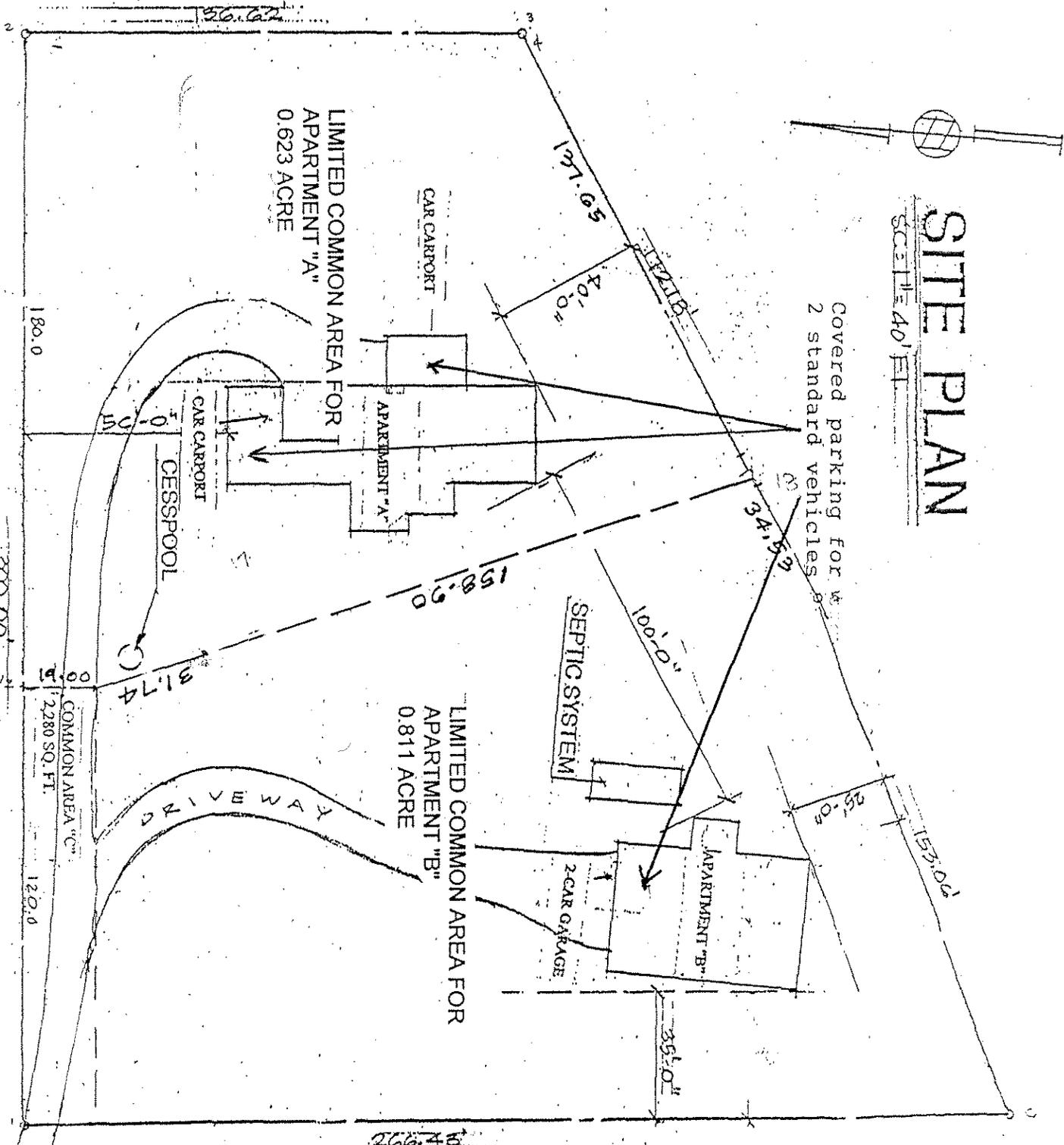
WHITE paper stock

PINK paper stock

SITE PLAN

SCALE 1" = 40' FT

Covered parking for 2 standard vehicles



PARKING PLAN
EXHIBIT "B"

ROAD EASEMENT

SPECIAL ATTENTION

EXHIBIT "C"
DESCRIPTION OF COMMON ELEMENTS
AND
LIMITED COMMON ELEMENTS

All of the property is Fee Simple.

In the various documents relating to this project, the term "Common Element" means the same thing as the term "Common Area", and the term "Limited Common Element" means the same thing as "Limited Common Area".

Common Elements are those portions of the condominium project other than the individual apartments. Common Elements are owned jointly by all apartment owners. The owners of each apartment own an undivided one-half (1/2) interest (undivided 50% interest) in all of the Common Elements for all purposes, including voting. This means that the ownership **does not** depend on the size of an apartment or the use to which an apartment is put. The Common Elements include the land upon which the project is located, in fee simple, and all other portions of the project, other than the Apartments, including, specifically, but not limited to, the Common Elements mentioned in the Act that are actually constructed on the land, and all other portions of the Project necessary or convenient to its existence, maintenance and safety or normally in common use and which are not included as part of an apartment, including but not limited to following:

- (a) The land in fee simple;
- (b) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project, if any, which serve more than one (1) apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.
- (c) The roof and all load bearing perimeter walls that serve more than one apartment, if any;
- (d) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.
- (e) The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act.
- (f) Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium Apartment(s) which are filed of record.
- (g) All the rights, benefits and privileges, if any, inuring to the land or to the Condominium from all easements shown on the File Plan or listed in Exhibit "A", or acquired subsequent to the creation of those documents.
- (h) Any and all other portions of the land and improvements that are not specifically designated for use by one or more specific Apartments, but which are intended for common use, including any directory facilities that may be established, and all other apparatus and installations the use of which exists for, is rationally allocated to or is necessary to the existence, upkeep and safety of more than one Apartment of the Condominium Project or which may otherwise be of common use.
- (i) Common Element "C" (2,280 square feet) shown on the Condominium File. It serves as a driveway for both apartments.

Unless clearly repugnant to the context thereof, the term "Common Elements" also means and includes the limited common elements hereinafter described.

Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of the owners of certain apartments. They are often referred to as Limited Common Area.

Limited Common Elements for Apartment "A". The Limited Common Elements for Apartment A are the approximately 0.623 acres of land appurtenant to Apartment "A". The land appurtenant to Apartment "A" is indicated by a dashed line on the Condominium File Plan. The dashed line, metes and bounds, courses and distances, and statement of a land area on Condominium File Plan **do not** indicate that the land has been subdivided. They only define the Limited Common Area for Apartment "A".

Limited Common Elements for Apartment "B". The Limited Common Elements for Apartment "B" are the approximately 0.811 acres appurtenant to Apartment "B". The land appurtenant to Apartment "B" is indicated by a dashed line on the Condominium File Plan. The dashed line, metes and bounds, courses and distances, and statement of a land area on the Condominium File Plan **do not** indicate that the land has been subdivided. They only define the Limited Common Area for Apartment "B".

Each apartment has an equal undivided one-half (1/2) interest (undivided 50% interest) in all of the common elements for all purposes, including voting.

EXHIBIT "D"
ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Hawaii Department of Finance for the status of Real Property Taxes
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Reserving the trails between Lot 37 and Lot N, as set forth in DEED dated November 27, 1914, recorded in Liber 1593 at Page 146.
4. Stonewall encroachment set forth on survey map prepared by Donald C. McIntosh, Registered Professional Land Surveyor, dated July 1, 1985.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR "KIPLING'S COTTAGES" CONDOMINIUM PROJECT

DATED August 31, 2000
RECORDED Document No. 2000-167246
MAP 3193 and any amendments thereto

Said Declaration was amended

DATE	DOCUMENT NUMBER
December 2, 2002	2002-230981.
October 19, 2004	2004-251685

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED: August 31, 2000
RECORDED: Document No. 2000-167247

7. MORTGAGE

LOAN/ACCOUNT NO. 20095334

MORTGAGOR: GARY L. KIPLING and FRANCES A. KIPLING, husband and wife

MORTGAGEE: AMERICAN SAVINGS BANK, F.S.B., a federal savings bank

DATED: February 12, 2002
RECORDED: Document No. 2002-029238
AMOUNT: \$87,000.00

END EXHIBIT "D"